

ATTACHMENT #2

PERFORMANCE WORK  
STATEMENT FOR  
CONSTRUCTION  
INSPECTION  
SERVICES

## SECTION C - Description/Specifications PERFORMANCE

### WORK STATEMENT FOR CCNSTRUCTION INSPECTION SERVICES

#### C-1 GENERAL INFORMATION

**1.1 General.** This requirement is for conducting onsite inspections of new construction and substantial rehabilitation of multifamily housing and performing various inspection tasks for the U. S. Department of Housing and Urban Development (HUD). These services will provide HUD with the field/site data necessary to make informed decisions regarding the construction/rehabilitation phase of HUD multifamily mortgage insurance underwriting and capital advance programs.

#### 1.2 Background.

The U.S. Department of Housing and Urban Development (HUD) provides funding for, or insures financing of, the construction of new multifamily (MF) projects or the repair or rehabilitation of existing MF projects, as authorized by several sections of the Housing Act of 1959 (HA), National Housing Act (NHA) and National Affordable Housing Act (NAHA), as listed below:

Section 207(M)	Manufactured Home Parks
Section 213	Cooperatives
Section 221(d) (3) and (4) Moderate-Income Families	Multifamily Rental Housing for
Section 202 or 811 with Disabilities, IAC (811)	Housing for the Elderly, CAV (202) or for Persons
Section 220	Mortgage Insurance for Urban Renewal Areas
Section 223(f)	Mortgage Insurance for the Acquisition or Refinancing of Multifamily Rental Apartments
Section 231	Housing for the Elderly, Insured (MFIDP)
Section 241	Supplemental Loans

HUD is required to perform periodic property inspections of MF projects throughout the entire construction and/or rehabilitation phase. Also, HUD is required to assist other parties (owner, sponsor, builder, supervisory architect, lender, etc.) in utilizing HUD forms and procedures relative to the construction phase of MF project development.

#### 1.3 Scope.

The purpose of the program is to conduct construction inspections and tasks related to construction inspections, and assist HUD in the review of the construction/rehabilitation of the construction project. The specific objective of this contract is to support HUD's Agency Priority Goal to utilize housing as a platform for improving quality of life by: Conducting construction inspections and performing construction inspection tasks (e.g. reviewing change orders, the Form HUD-92448, construction schedules, requests for permission to occupy etc.), thereby assisting HUD in the review of the construction/rehabilitation of a project and to approve the release of loan funds.

#### 1.4 Reserved

**1.5 Description of Services.** The contractor shall provide Construction Inspection services. The Contractor's work products shall provide HUD with the field/site data necessary to make informed decisions regarding the construction phase of the HUD multifamily mortgage insurance underwriting and capital advance programs.

**1.5.1 Frequency of Construction Inspections — General.** Inspections for construction/substantial rehabilitation projects are generally limited to one per month for the duration of the construction period. The frequency of inspections may increase to two per month based upon a number of factors, including but not limited to size and complexity of the project; overall experience of the project development team, and/or a determination by HUD as to the assessment of construction risk. The frequency of inspections will be discussed with and determined by the GTR/GTM during the pre-construction conference. The GTR/GTM is permitted to require additional inspections based upon the risk factors set forth above.

**1.5.2 Flexibility in Scheduling of Inspections.** HUD reserves the right to modify the scheduling of inspections at any time during the construction period due to limited construction progress from one scheduled inspection to the next.

## **1.6 General Information**

**1.6.1 Period of Performance.** Period of performance will be for five years.

**1.6.2 Place of Performance.** The services to be performed under this contract must be performed in the Southeast Region:

Georgia, Kentucky, Tennessee, North Carolina, South Carolina, Florida, Mississippi, Alabama and Puerto Rico

**1.6.2.1 Status Meetings.** The Contracting Officer, Government Technical Representative (GTR) and other Government personnel, will meet periodically with the Contractor to review Contractor performance, requirement status, etc. The Contracting Officer will apprise the Contractor of how the Government views the Contractor's performance or progress of the requirement. The Contractor shall apprise the Government of problems, if any, being experienced. Appropriate action shall be taken to resolve outstanding issues. These meetings shall be held via teleconference at no additional cost to the Government. Post award conference and subsequent meetings may also be held via teleconference.

**1.6.3 Contractor Travel.** HUD will not reimburse the Contractor for travel for construction inspections. The Contractor must provide all necessary travel in the performance of this PWS. The government may only reimburse the Contractor for travel costs incurred as a result of a Special Purpose Construction Inspection. Regions covering the Puerto Rico must include travel expenses to the outer islands with the total inspection cost. Regions covering the Hawaii outer islands must include travel costs with the total inspection cost.

**1.7 Transition Period.** The Contractor recognizes that the services under this PWS are vital to the Government and must be continued without interruption and that upon contract expiration, a successor; either the Government or another Contractor may continue them. In order to ensure a smooth transition of services at the beginning and end of contract performance, the Contractor shall provide a Transition-In and a Transition-Out Plan. The Transition-In Plan shall be provided with the Contractor's Proposal. The Transition-Out Plan shall be provided 120 days after contract award. The Contractor shall, upon the CO's written notice, furnish Transition-In and/or Transition-Out services as required. The Contractor shall provide sufficient experienced personnel during the Transition period to ensure that the services called for by this PWS are maintained at the required level of proficiency. The Contractor shall participate in transition meetings with the Government as required.

**1.7.1 Transition-In.** The Contractor shall, upon the CO's written notice, furnish Transition-In services as required. As a successor, the Contractor shall have sufficient personnel available, at no additional cost to the Government, during the sixty (60) day Transition-In period to ensure a smooth transition with the incumbent Contractor. The successor Contractor shall provide an orderly transition of work acceptance and accomplishment such that any impact to a program is minimized. During the Transition-In period, the successor Contractor shall become familiar with the requirements in order to commence full performance of services by the end of the contract Transition-In period. Transition-In is not required if the successor Contractor is the incumbent Contractor.

**1.7.2 Transition-Out.** To minimize any decrease in productivity and to prevent possible negative impacts on additional services, the incumbent Contractor shall have sufficient personnel available, at no additional cost to the Government, during the sixty (60) day Transition-Out period. The incumbent Contractor shall ensure a smooth transition with the successor Contractor during the Transition-Out period, prior to completion of contractual performance. The incumbent Contractor shall aid the successor in the development of plans, procedures and methods for the assumption of all on going work. The Contractor shall provide an orderly transition of work acceptance and accomplishment, such that full control by the successor contractor is achieved by the end of the new contract Transition-In period.

## **C- 2 DEFINITIONS, ACRONYMS, APPLICABLE DOCUMENTS/PUBLICATIONS**

### **2.1 DEFINITIONS**

**AIA - the American Institute of Architects, 1735 New York Ave., NW, Washington, DC.**

**Application** - Exhibits that are submitted by a sponsor or the mortgagee of record to a HUD Office to request issuance of a processing letter (Early Commencement, Early Start, or Firm Commitment).

**Architect or Supervisory Architect** - The architect providing services to the sponsor/owner under the terms of the AIA-B108, Owner-Architect Agreement.

**Builder** - The General Contractor hired by the sponsor/owner to construct the project under the terms of the construction contract and in accordance with contract documents. The term "builder" is used in this PWS to avoid confusion when the Contractor's role is discussed.

**Business/Work Days** - Every official work day of the week which are days between and including Monday to Friday. This does not include public holidays and weekends.

**Calendar Day** - Any day of the week.

**Certificate of Occupancy** - a certificate allowing occupancy issued by a local Government building department for a structure or structures for which a building permit has been issued.

**CFR** - Code of Federal Regulations.

**Construction Contract** - the construction contract applicable to the particular project for which HUD is providing mortgage insurance and which HUD requires (typically a contract between the builder and project owner or sponsor).

**Construction Contract Administration** - the supervisory architect's administration of the contract between the builder and project sponsor/owner in the construction of any OHP project. HUD construction inspection tasks, to be performed by the Contractor as HUD's Representative, are defined in this contract.

**Construction Inspection Services** - monitoring the construction, and performing construction inspection tasks and related functions for the purpose of protecting the Department's interest.

**Construction Manager (HUD CM)** — the HUD employee in the Office of Multifamily Housing Programs who is responsible for the proper performance of all functions relating to inspection. The Construction Manager keeps informed of the general progress of the work on all projects during the construction stage and guarantee period and is familiar with any problems involved. The HUD CM is also a designated GTM and is appointed in writing by the Government.

**Construction Period** — stated period of time during which a property is undergoing construction or substantial rehabilitation. This period typically extends from the issuance of a Notice to Proceed from the owner to the issuance of a certification of completion.

**Contract Administration** - the monitoring of the performance of the Contractor by the GTR, GTM and Contracting Officer relative to the tasks performed under this contract. **Contractor** A supplier or vendor awarded a contract to provide specific supplies or service to the Government. The term used in this contract refers to the prime.

**Contracting Officer (CO)** - A person with authority to enter into, administer, and/or terminate contracts and make related determinations and findings on behalf of the Government. Note: the only individual who can legally bind the Government.

**Contractor** - An independent third party contracted out for the monitoring of the construction and renovation of multifamily housing projects that are insured by the Department of Housing and Urban Development. Days — Calendar days, unless otherwise specified as business days.

**Defective Service** - A service output that does not meet the standard of performance associated with the Performance Work Statement.

**Deliverable** - Items that are required under the Contract and provided either physically or electronically by the Contractor to HUD.

**Federal Acquisition Regulation** - is the principal set of rules in the Federal Acquisition Regulation System governing the acquisition process by which the government purchases (acquires) goods and services.

**FHAG** - Fair Housing Accessibility Guidelines. Technical guidance on how to comply with the specific accessibility requirements of the Fair Housing Amendments Act of 1988.

**Final Closing** - the final completion of all HUD project development forms, procedures, terms and conditions per HUD legal and programmatic requirements. This occurs after completion of project construction and cost certification.

**Final Completion of the Work (Individual Project Completion)** - the time when all work under the owner's/sponsor's construction contract is 100 percent complete, except work items beyond the builder's control which are accepted as delayed items of completion. It is formalized as of the date the Contractor signs the final HUD-95379 provided that the trip report is subsequently accepted by the GTM.

**Government Furnished Property (GFP)** - Government furnished property" means property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor for performance of a contract. Government-furnished property includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Government-furnished property also includes contractor-acquired property if the contractor-acquired property is a deliverable under a cost contract when accepted by the Government for continued use under the contract.

**Government Technical Monitor** - An individual designated by the Contracting Officer to assist in providing technical direction and monitoring performance under the contract.

**Government Technical Representative (GTR)** - An employee of the U.S. Government appointed by the Contracting Officer to perform contract administration activities in regard to technical issues. This individual has authority to provide technical direction to the Contractor as long as direction is

within the scope of the contract, does not constitute a change and has no funding implications. This individual does NOT have authority to change the terms and conditions of the contract.



**HUD** - The U.S. Department of Housing and Urban Development. The terms "Department of Housing and Urban Development," "Department," "HUD," and "Government" shall be synonymous and may be used interchangeably in this contract.

**HUD Capital Advance Program** - A program whereby HUD provides direct funding for construction, acquisition, or rehabilitation of a housing project for elderly or disabled persons.

**HUD Inspection Procedures** - Paragraphs 3-1 through 3-17 in Chapter 3, Architectural Inspection, of HUD Handbook 4460.1 REV-2, Architectural Analysis and Inspections for Project Mortgage Insurance; HUD Handbook 4435.01 REV-1, Project Construction and Servicing Before Final Closing; and the MAP Guide. (Chapter 12 and other chapters or appendices) Required reporting via the HUD-95379, HUD Representative Trip Report, is to be completed for each inspection per MAP Forms Catalog, or per instructions included on the form.

**HUD-Insured Program** - A program where HUD provides mortgage insurance to the mortgagee for construction, acquisition (with or without repairs), or rehabilitation of a housing project.

**HUDAR** - prescribes the Department's procurement policies and procedures under the FAR System.

**Initial Endorsement/Closing** — The initial endorsement of a HUD project for loan insurance or the completion of all documents necessary for a capital advance, which normally occurs prior to the commencement of construction. The legal documents, loan forms, capital advance documents, construction contract, and other required instruments are signed at this meeting.

**Inherently Governmental Functions** - Activities that require either the exercise of discretion in applying Government authority, or the making of value judgments in making decisions for the Government.

**Item(s) of Delayed Completion** — construction-related work items beyond the builder's control to complete at final completion of the work as determined by the CM/GTM.

**Latent Defect(s)** - defective or non-conforming work item(s) not observed during construction, and identified by the owner's architect and the Contractor at either the 9-month or 12-month warranty inspection.

**Off Site Construction** - defined as improvements to property immediately adjacent to the property that is secured by the insured loan and integral to the completion of the proposed project; (e.g. utilities, paving/access roads etc)

**Performance Requirements Summary (PRS)** A listing of the performance requirements under the contract that are to be evaluated by the Government on a regular basis, performance indicators for these requirements, performance standards for these requirement and surveillance methods to be used to determine if performance standards are met (and optionally, any maximum payment for meeting the acceptable quality level (AQL) and any deduction from payment for not meeting the AQL).

**Performance Standard** - The Contractor's performance level required by the Government. This is also known as the acceptable quality level (AQL).

**Performance Work Statement (PWS)** - A statement of work for performance based acquisitions that describe the required results in clear, specific and objective terms with measurable outcomes.

**Pre-Closing Conference** - The meeting HUD will conduct, if necessary, with the lender, owner/sponsor, builder, CI, accountants, and others to assist in reaching the project's final closing in a timely manner.

**Pre-Construction Conference (PCC)** - The meeting attended by the CI; builder; builder's subcontractors (if possible); supervisory architect; owner/sponsor; consultants (if any); mortgage company (if applicable); and HUD Housing Development staff to discuss the construction contract documents and applicable HUD requirements. Required for every project and should precede the initial start of construction (if possible).

**Physical Security** - Actions that prevent the loss or damage of Government property.

**Project Capital Needs Assessment (PCNA)** — Document containing estimates of critical and non-critical repair costs and the initial and monthly deposits to the replacement reserve.

**Quality Assurance (QA)** - Policies and procedures adopted by the Government to ensure that supplies and services acquired under Government contracts conform to the contract's quality requirements.

**Quality Assurance Surveillance Plan (QASP)** - A plan describing how the agency will survey, observe, test, sample, evaluate and document the contractor's performance in meeting critical performance standards identified in the contract.

**Quality Control (QC)** - All necessary measures taken by the Contractor to assure that the quality of an end product of service shall meet contract requirements.

**Service contract** - A contract that directly engages the time and effort of a Contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply.

**Subject Matter Expert** — revised terminology for Government Technical Monitor (see definition above).

**Special Purpose Inspections (SPIs)** - The type of physical inspection performed on existing MF subsidized or unsubsidized projects to either determine the scope and cost of repairs needed to bring the project to a decent, safe, and sanitary condition in accordance with 24 CFR Part 5, Subpart G; to inspect major repair items; to inspect progress being made under Management Improvement and Operating (MIO) Plans; to investigate complaints HUD has received concerning the property's physical condition; or any other inspection assigned to the inspector.

**Sponsor/Owner/Mortgagor** - The individual or entity planning the project whose name appears on the Construction Contract and other applicable project documents.

**Start(s) of Construction** - "Initial Start of Construction" is defined as the beginning date of the initial site preparation. This date is used in connection with the Labor Standards and prevailing wage requirements, when the construction contract work commences with initial site clearance or other preliminary site work for proposed construction projects. The "Start of Permanent Construction" is

defined as the first day that permanent on-site building elements were put in place (footings, foundations, pilings, utility lines, etc., but not excavation, forms or trenching, including demolition of

portions of the existing building for substantial rehabilitation projects). Builder documents "initial" and "permanent" construction start dates via appropriate correspondence to the CI.

**Subcontractor** - Any person , other than the prime Contractor, who offers to furnish or furnishes any supplies, material, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and any person who offers to furnish or furnishes general supplies to the prime contractor or a higher tier subcontractor. The Government does not have privity of contract with a subcontractor.

**Temporary Certificate of Occupancy** - A certificate issued by a local Government building department for a structure or structures for which a building permit has been issued (allows early occupancy and prior to issuance of Certificate of Occupancy).

**UFAS** - Uniform Federal Accessibility Standards. Presents uniform standards for the design, construction, and alteration of buildings so that persons with disabilities will have ready access to and use of them in accordance with the Architectural Barriers Act, 42 U.S.C. 4151-4157.

**Work Week** - Monday through Friday, unless specified otherwise.

## 2.2 ACRONYMS

AIA	American Institute of Architects
AQL	Acceptable Quality Level
ASI	Architect's Supplemental Instructions
CFR	Code of Federal Regulations
CIO or OCIO	Office of the Chief Information Officer of HUD
CLIN	Contract Line Item Number
CO	Contracting Officer
CPARS	Contractor Performance Assessment Reports System
CPO	Office of the Chief Procurement Officer of HUD
CR	Change Request
EAC	Estimate at Completion
EST	Eastern Standard Time (U.S.)
ETC	Estimate to Completion
GAO	U.S. General Accounting Office
GTM	Government Technical Monitor
GTR	Government Technical Representative
HARTS	HUD Automated Release Tracking System
HTC	HUD Test Center

HUD	U.S. Department of Housing and Urban Development
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HUD CM	HUD Construction Manager
HUDAR	HUD Acquisition Regulation
HUD/ISG	Internet Services Group within the Telecom Processing Division
HUD Web	HUD's Intranet Web Site and related WEB pages.
IG or OIG	Inspector General (Office of)
ISP	Information Strategy Plan
IT	Information Technology
IV&V	Independent Validation and Verification
LAN	Local Area Network
LOE	Level of Effort
MAP	Multifamily Accelerated Processing Guide
MF	Multifamily
MFTDP	Multifamily Technical Discipline Professional
NLT	Not Later Than, or No Later Than
OCPO	Office of the Chief Procurement Officer
OIG	Office of Inspector General
OMB	Office of Management and Budget
PCNA	Project Capital Needs Assessment
PL	Public Law
PM	Project Manager
POC	Point of Contact
PPM	Project Planning and Management
PR	Problem Report(s)
PTO	Permission To Occupy
QA	Quality Assurance
QASP	Quality Assurance Surveillance Plan
QCP	Quality Control Plan
SF	Standard Form
U.S.C	United States Code
WSR	Weekly Status Report

2.3 APPLICABLE REGULATIONS/MANUALS/DOCUMENTS/PUBLICATIONS: The Contractor shall abide by all applicable regulations, publications, manuals, and policies and procedures in the performance of this contract

4435.1 REV-1	Project Construction and Servicing Before Final Closing
4460.1 REV-2	Architectural Analysis and Inspections for Project Mortgage Insurance
4470.2 REV-1	Cost Certification Guide for Mortgagors and Contractors of HUD-Insured and Section 202/811 Multifamily Projects
4555.1	Rental Housing in Urban Renewal Areas For Project Mortgage Insurance, Sec. 220
4560.1 REV-1	Mortgage Insurance for Multifamily Moderate Income Housing Projects-Section 221(d) (3) and Section 221(d) (4)
4910.1 REV-1	Minimum Property Standards (MPS) for Housing, 1994 Edition
24 CFR Part 100.205	Fair Housing Accessibility Guidelines
FED-STD -795	Uniform Federal Accessibility Guidelines
24 CFR Part 200.77, Subpart 0	Lead-Based Paint Poisoning Prevention
24 CFR Part 5, Subpart G HUD	Standards for Decent, Safe, and Sanitary Multifamily Housing
MAP Guide	Multifamily Accelerated Processing Guide
MAP Forms	MAP Forms Handbook

Handbook 4571.4	Supportive Housing for Persons with Disabilities Conditional Commitment - Final Closing
Handbook 4571.5	Supportive Housing for the Elderly Conditional Commitment - Final Closing
24 CFR Part 891	Regulations implementing the Supportive Housing for the Elderly Program
24 CFR Part 891	Regulation implementing the Section 811 Supportive Housing Program for Persons with Disabilities

2.3.1. Additional publications (handbooks and regulations) applicable to 202 and/or 811 projects, dependent on year funded, are as follows:

Handbook 4571.4	Supportive Housing for Persons with Disabilities Conditional Commitment – Final Closing
Handbook 4571.5	Supportive Housing for the Elderly Conditional Commitment – Final Closing
24 CFR Part 891	Regulations implementing the Supportive Housing for the Elderly Program
24 CFR Part 891	Regulation implementing the Section 811 Supportive Housing Program for Persons with Disabilities

2.3.2 For ease of reference for the CI, the list of HUD handbooks and notices below are grouped per applicable HUD program area:

<u>Sec 221(d)(3)</u>	<u>Sec 232</u>		
4435.1 REV-1	4435.1 REV-1		
4460.1 REV-2	4460.1 REV-2		
MAP Guide	4600.1 REV-1		
	MAP Guide		
<u>Sec 221(d)(4)&amp; 207(m)&amp; 231</u>	<u>Sec 241</u>	<u>Sec 223(a)(7)</u>	
4435.1 REV-1	4460.1 REV-2	4460.1 REV-2 [Sec 223)f]	
4460.1 REV-2	Map Guide	Map Guide [Sec 223)f]	
4460.2			
4600.1 REV-1			
4600.2			
4555.1			
MAP Guide			
<u>Sec 202</u>	<u>Sec 811</u>	<u>Sec 223(f)</u>	
4460.1 REV-2	4460.1 REV-2	4460.1 REV-2	
4571.5	4571.4	MAP Guide	

2.4 **FORMS** Applicable forms, either HUD’s or from some other non-federal entity source, are as follows:



AIA-B181	Owner-Architect Agreement
AIA-G710	Architect's Supplemental Instructions (ASIs)
AIA-G711	Architect's Field Report
HUD 2328	Contractor's and /or Mortgagor's Cost Breakdown - Schedules of Values
HUD 92485	Permission To Occupy Project Mortgages
HUD-11	Record of Employee Wage Interviews
HUD-92437	Request for Construction Changes (Change Order Form)
HUD-92448	Builder's Requisition
HUD-92464	Request For Approval Of Advance of Escrow Funds
HUD-95379	HUD Representative's Trip Report
HUD-92013	Application for Multifamily Housing Project

Website for HUD Forms:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/handbks\\_forms](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/handbks_forms)

**C-3 GOVERNMENT FURNISHED PROPERTY AND SERVICES.** The Contractor shall ensure accurate control and accountability of all Government Furnished Property in accordance with terms and conditions of this contract. The Government will furnish, at no cost to the Contractor, the GFP shown below.

**3.1 Facilities.** Work space at the construction site for HUD personnel and the Contractor (as HUD's representative), will be provided by the Builder. The Contractor has the right of entry and free access to assigned construction sites and to inspect all work and materials, equipment and fixtures furnished, installed or stored in and about the project at all normal working times during construction. The Contractor shall immediately notify the GTR/GTM if it is denied such right of entry and free access. The Contractor shall not attempt to resolve any dispute regarding entry and free access unless specifically instructed by the GTR/GTM to do so.

**3.2 Materials.** Construction Related Documents. After the Contractor has been assigned a project, the GTM will provide to the Contractor copies of construction related documents which the Contractor needs to perform construction inspection tasks for the assigned HUD OHP projects. Construction related documents forwarded to the Contractor are as follows:

3.2.1.1 "HUD Inspection Set" of the HUD-approved plans and specifications

3.2.1.2 Construction contract between the builder and the owner/sponsor

3.2.1.3 Supervisory Architect's Contract, AIA Document B108 with HUD

Amendment 3.2.1.4 Drawings, specifications, and contract pertaining to offsite

improvements 3.2.1.5 Escrow Agreement for Offsite Facilities

3.2.1.6 Builder's Progress Schedule

3.2.1.7 Escrow Agreement for Demolition

3.2.1.8 Project Capital Needs Assessment

(PCNA) 3.2.1.9 Additional pertinent documents

3.2.2 Section 223(f) and Related Documents. The GTM shall provide the following documents to the Contractor as reference documents in performing the inspections of critical or non-critical repairs:

3.2.2.1 Firm Commitment, or Escrow Agreement

3.2.2.2 List of required repairs (Project Capital Needs Assessment (PCNA))

3.2.2.3 Specifications and drawings (if provided by the owner)

3.2.2.4 Schedules of Values (only for projects with repairs delayed after endorsement)

3.2.2.5 Progress Schedule (only for projects with repairs delayed after endorsement)

3.2.2.6 Schedule of Delayed or Interrupted Occupancy or Income (only for projects with repairs delayed until after endorsement)

#### **C-4 CONTRACTOR FURNISHED ITEMS AND SERVICES.**

**4.1 Contractor Responsibilities.** The Contractor shall only conduct business with designated Government personnel listed as points of contact (POCs). Names of authorized personnel shall be provided to the Contractor by the Government, in writing and updated as necessary throughout the contract period.

U.S. Government records, copies of original results and reports, verified original data, corrected data and corrected supporting final reports which are maintained by the Contractor remain the property of the U.S. Government. These files/results must be delivered to the GTR.

**4.2 Contractor Personnel.** The Contractor shall provide a Contract/Project Manager who shall be responsible for the performance of work. An alternate shall also be designated to act in the absence of the Contract/Project Manager. These Contractor personnel (main point of contact and alternate point of contact) are considered Key Personnel by the Government and shall be listed as such in accordance with HUDAR 2452.237-70, "Key Personnel". The Contract/Project Manager and alternate shall have full authority to act on all contract matters relating to daily operations of this contract. Accordingly, the points of contact shall have the technical knowledge of the requirement and be in the position to actually receive assignment, guidance and direction from the GTR, GTM and CO per HUDAR 2452.237-73, Conduct of Work and Technical Guidance and shall be allocated enough hours to the

requirement to ensure successful performance These points of contact shall each be an employee of the Contractor. An employee of a subcontractor is not acceptable for either of these positions. The

Contract/Project Manager or alternate shall be available between the hours of 8:00am to 4:30pm, Monday through Friday local time, except Federal Holidays or when the Government facility is closed for administrative reasons.

**4.2.1 Special Qualifications — Contractor.** The Contractor is responsible for ensuring the contract manager and inspectors are thoroughly familiar with all HUD programs and procedures as they apply to the duties of the HUD representative (also called "HUD Design Representative" or "HUD Inspector" in HUD handbooks, specifically 4460.1 and 4435.01, and the Multifamily Accelerated Processing (MAP) Guide) and that they remain abreast of all changes to applicable handbooks, publications and forms. As the HUD representative on the project site, the Contractor shall be responsible for assisting other parties (owner, sponsor, builder, supervisory architect, mortgage company, etc.) in utilizing HUD forms and procedures relative to the construction phase of the multifamily project development.

The Contractor/Project Manager shall possess three years of recent [within the past six (6) years] experience in managing and overseeing employees who perform multifamily construction inspection activities, or a total of five years of experience in overseeing employees performing combination of multifamily, single family, and commercial construction inspections, with a minimum of one of those five years being multifamily. The contract manager and alternate must also have at least three years of satisfactory experience in performing construction inspections which demonstrate the knowledge and experience listed below for inspectors, this experience need not be within the past 6 years.

**4.2.2 Employees.** The Contractor shall recruit, hire, train and supervise qualified employees. The Contracting Officer shall have the authority to restrict the assignment of any individual as an employee under the contract or any subcontracts that is identified as unqualified, or a potential threat to the health, safety, security, general well-being, mission of the Department or its staff, or whom HUD may determine has any actual or potential conflict of interest.

**4.2.2.1** The Contractor shall certify to the Contracting Officer that the inspectors meet the below-stated minimum qualifications with the submission of the technical proposal. An additional certification shall be provided seven (7) business days after hiring a new inspector; but, in any event, prior to any inspector performing inspections. These employees, along with the contract manager and alternate, shall be considered Key Personnel. The Contractor shall not substitute Key Personnel without prior approval of the Contracting Officer.

**4.2.2.2** The Contractor/Project Manager, and all inspectors shall possess three years of satisfactory construction inspection experience related to the specific inspection tasks required by this contract. The inspection experience for the inspectors must be recent (within the past six (6) years). The inspection experience for the contract manager and alternate manager does not have to be within the last 6 years; only the experience in managing and overseeing as indicated above. Satisfactory experience is defined as three years of recent multifamily construction inspection activities or five years of experience in a combination of multifamily, single family, and commercial construction inspections, with a minimum of one of those five years being multifamily. Specific projects where multifamily experience was obtained will be listed with references who can confirm the experience. Inspection experience shall cover all activities and phases of a construction project, and not just a single activity or discipline. The experience shall demonstrate a record of performing acceptable

construction inspections and related construction contract administration tasks as required by this contract. The experience shall clearly demonstrate the inspector's knowledge of and

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familiarity with construction, construction inspection, and construction administration. The experience shall also demonstrate knowledge of national building codes and standards, current standard construction methods and procedures, Federal Fair Housing Accessibility Guidelines, and HUD regulations and handbook requirements sufficient to identify compliance by the owner, builder and the supervisory architect. The complexity of some projects may mandate that they be assigned to an inspector whose background indicates the ability to perform those inspections.

**4.2.2.3** When the Contractor has assigned an inspector to a project, that inspector shall continue to conduct all inspections at the property through final completion of construction phase. If it becomes necessary to substitute an inspector assigned to a project, the Contractor shall inform the GTM/GTR at least seven (7) business days prior to the scheduled inspection which another inspector from the key personnel list is to be assigned. A substitute must have the background requirements necessary for any substitution on complex projects as discussed above.

**4.2.2.4** The Contractor shall not employ or subcontract with any person who is a current or former civilian employee of the U.S. Government if the employment of that person would create a conflict of interest, an appearance of any conflict, or otherwise conflict with Department restrictions. The HUD Office of Counsel must approve employment of any person who is a current or former civilian employee of the U.S. Government.

**4.2.2.5** When the Contractor/Project Manager or alternate manager performs the role of inspector, the person who actually performs the inspection should, if possible, sign the HUD Trip Report in the block for HUD Representative. The person who does not perform the inspection will sign as the Contract Manager. This procedure will facilitate in providing an adequate quality assurance review of the report.

**4.3 Identification of Contractor Employees.** All Contractor/subcontractor personnel shall wear company picture identification badges as to distinguish themselves from Government employees. When conversing with Government personnel during business meeting, over the telephone or via electronic mail, Contractor/subcontractor personnel shall identify themselves as such to avoid situations arising where sensitive topics might be better discussed solely between Government employees. Contractors/subcontractors shall identify themselves on any attendance sheet or any coordination documents they may review. Electronic mail signature blocks shall identify their company affiliation. Where practicable, Contractor/subcontractors occupying collocated space with their Government program customer shall identify their work space area with their name and company affiliation, or as a minimum, "Contractor" after name.

**4.4 Quality Control.** The Contractor shall establish and maintain a complete Quality Control Program that shall ensure services are performed in accordance with this contract. The Contractor shall develop and implement procedures to identify, prevent, and ensure non reoccurrence of defective services. The Contractor's quality control program is the means by which he assures himself that his work complies with the requirements of the contract. The Contractor shall provide the associated Quality Control Plan to the Government as directed.

**4.4.1 Quality Control Plan.** The Contractor shall develop, maintain, enforce and document a Quality Control Plan (QCP). The QCP shall be included in the proposal and will ensure the Government

receives the level of quality that is consistent with the requirements specified in this contract. The QCP shall be sufficiently detailed to provide the Contractor's methodology for identifying and

recruiting qualified personnel. The QCP shall also provide the Contractor's methodology for resolving problems identified by the Government during reviews conducted in accordance with its Quality Assurance Surveillance Plan (QASP). The QCP shall also provide the Contractor's methodology for establishing an internal feedback system for support personnel, and for resolving problems identified by that feedback system. The QCP shall demonstrate and validate that the services or deliverables to be provided under the contract are completed with a level of quality that meets the minimum performance threshold established in the Government's QASP. The QCP shall address Quality Management Approach, Quality Assurance, Quality Control and Quality Standards.

## C-5 SPECIFIC TASKS

5.1 SCOPE OF WORK. The Contractor shall furnish, all facilities, equipment and supplies required to perform the work under this contract. The contractor shall provide construction contractor inspection services to provide HUD with the field/site data necessary to make informed decision regarding the construction phase of the HUD FHA multifamily housing projects. Inspections required under the Section 223(f) mortgage insurance underwriting program are addressed in Section 5.3 herein.

5.1.1 SPECIAL PURPOSE INSPECTIONS. The CI shall also perform, as required; inspections of existing MF insured and/or subsidized projects (named SPECIAL PURPOSE INSPECTIONS (SPI's) in this contract). These inspections may be made to determine the condition of the property, whether the property is in decent, safe, and sanitary condition, and the cost and scope of repair work based on the results of the inspections; to inspect major items requiring specialized, technical investigation such as electrical, plumbing, foundation, or civil engineering; to inspect progress being made under Management Improvement and Operating (MIO) Plans; to investigate complaints HUD has received concerning the property's physical condition; or any other inspection assigned to the inspector. Standards for decent, safe, and sanitary housing shall be based on 24 CFR Part 5, subparagraph G. Actual scope of work, reporting documents, format and other details of SPI's will be established in the order for the work. SPI's are not covered by the provisions contained in Section C, Technical Exhibit 2, Performance Requirements Summary/Standards; or Technical Exhibit 3, Contract Deliverable Requirements Chart.

## 5.2 TASK 1: CONSTRUCTION PROJECT MONITORING TASKS

5.2.1 Pre-Construction Activities. Within ten (10) business days of receipt of the email transmitting the materials related to the assignment of projects (under construction, under warranty, or new/rehabilitation projects or repairs), the contractor shall initiate an "Initial Briefing" call or meeting with the GTM. If the Pre-construction meeting is held on-site, the Contractor shall attend, and when directed by the GTM, conduct the HUD Pre-construction conference, and afterwards submit summary meeting notes and list of attendees on a HUD Representative's Trip Report (HUD- 95379) (photos not required) to the GTM within seven (7) business days of the conference. If the Pre-construction conference is held at the Initial Closing, attendance by the Contractor is optional unless required by the GTM.

The contractor shall confirm the initial review of the Contract document-plans and specifications, etc., prior to field inspections as part of the Pre-construction Conference Trip Report. The Contractor shall also attend the Architect's/Builder's Pre-construction meeting in the field, should one be held, and



submit a HUD-95379. This meeting will typically occur during the contractor's first trip to the project site.

**5.2.2 Inspections.** The Contractor shall visit the job-site and inspect the project once per month to evaluate, observe, and report on construction progress and actual conditions on the job-site, construction activity and construction inspection tasks described at paragraph 5.4, below. The Contractor shall schedule the monthly inspections to coincide with the monthly submission of the HUD-92448.

5.2.2.1 The Contractor shall provide one (1) inspection per month per project for all FHA construction programs, between and including the initial start of construction and substantial completion, unless determined by the GIR/GTM that inspections shall be more frequent than once per month. The need for additional inspections shall be within the sole discretion of HUD. The Contractor shall establish a day and time for their inspections at the HUD Preconstruction Conference with the Builder and Supervisory Architect and commit to a consistent day and time each month for the monthly inspection; for example, the fourth Thursday of each month at 1:00 PM local time.

5.2.2.2 Additional inspections assigned by the GTM through the GIR will be covered by the original order or modification issued to the Contractor as authorized by the HUD Contracting Officer. Upon assignment by the GTR or GTM of an additional project inspection, the Contractor shall perform the duties which are applicable, record inspection results on the HUD-95379 and submit the original form to the GTR or GTM with a copy to the HUD CM within seven (7) business days of the site/project visit (include photographs).

For certain projects, the Contractor will be requested by the GTM through the GTR to perform an additional inspection to report on critical new construction inspection phases as outlined herein or the builder's finishing any delayed items of completion which were noted at the time of the HUD final inspection. The inspection shall be conducted only after prior discussion with the GTR or GTM. See paragraph 5.2.3.16.4.

**5.2.3 Construction Progress Inspections/Reviews.** See Handbook 4460.1 REV-2 and Chapter 12 of the *MAP Guide* for detailed instructions. During the on-site inspection, the Contractor shall maintain a role as observer and provider of technical information as HUD's representative, through interaction with sponsor/owner, owner's consultant, builder, builder's representatives, supervisory architect and lender. The Contractor shall fill out the HUD-95379 for each inspection. The Contractor shall report all observations on the HUD-95379.

5.2.3.1 The Contractor shall attend and participate in monthly job-site meetings with the inspection coinciding with the monthly review of the HUD-92448. The Contractor shall sign the requisition as HUD's representative. During this inspection the Contractor shall confirm actual progress of each building trade, evaluate the architect and builder's administration, services and organization, and assist the builder with HUD requirements.

5.2.3.2 The Contractor shall observe and report on construction activities of on-site and off-site construction.

5.2.3.3 The Contractor shall observe and report on construction progress to evaluate the builder's and architect's performance. The Contractor shall report the number of workers and trades on site during the inspection.

5.2.3.4 The Contractor shall evaluate conformance with builder's progress schedule.

**5.2.3.5** The Contractor shall report whether the completed construction is in conformance with the approved contract documents.

**5.2.3.6** The Contractor shall report whether the materials stored on-site are properly stored and invoiced.

**5.2.3.7** The Contractor shall report whether the HUD-92448 is reasonable as described in the MAP (Multifamily Accelerated Processing Guide).

**5.2.3.8** The Contractor shall discuss and report on:

**5.2.3.8.1** All issues described as pertinent to the construction contract in the MAP.

**5.2.3.8.2** Status of progress of work subject to pending or previously-approved change orders. For multi-building projects report on the progress of each building, site work, off-site work, stored materials, and accessory buildings/features. For single building projects report on the progress of each floor or wing, site work, off-site work, stored materials, and accessory buildings/features.

**5.2.3.8.3** All non-compliance in the execution of the contracts, including the builder's, architects, and construction contract.

**5.2.3.8.4** Labor and EEO compliance.

**5.2.3.8.5** Apprise the major participants (builder, supervisory architect, owner, sponsor, consultant, and lender) of observed deficiencies and problem areas in the progress of the work and clarify HUD procedures applicable to the issues raised relative to the construction phase of multifamily project development. Issues which cannot be settled on site shall be initially referred to the GTM.

**5.2.3.8.6** Discuss any findings, particularly any adverse findings, with the supervisory architect at the job-site, or by phone if the supervisory architect is not present when the inspection is made.

**5.2.3.9** After 80 percent project completion, the Contractor shall bring to the site manager's attention the following:

**5.2.3.9.1** The Definition of Final Completion of Work per the builder and owner's construction contract.

**5.2.3.9.2** The owner and builder (where the Cost Plus Contract is used) must meet with HUD's financial and construction cost analysts, respectively, before 90 percent project completion to review cost certification submission requirements.

**5.2.3.10** If HUD conducts a pre-final closing meeting, the Contractor shall explain and describe to all parties any observations that may delay or prevent HUD final closing/final endorsement.

**5.2.3.11** When directed by the GTM through the GTR, the Contractor shall re-inspect or provide additional or more frequent inspections.

**5.2.3.12** The Contractor shall meet at the project site or local HUD office with the GTR/GTM or designee to resolve project issues, receive updated training and assist and cooperate with any HUD official conducting an on-site review of the project construction and/or construction contract administration for the purpose of assessing performance or other areas of concern.

**5.2.3.13** The Contractor shall record the results of all inspections, meetings, issues discussed and conclusions. Pictures/photographs (a minimum of 6 pictures are to be taken on each inspection

to depict the progress of the work, etc.). Photographs shall be color digital photographs stored for printing and electronic transmission. Digital photographs shall be stored in JPEG or GIF and or PDF formats with a minimum resolution capable of producing 3" X 5" photo-quality prints. The Contractor shall provide additional photographs as necessary for identifying non-compliance with contract documents or HUD regulations. A minimum of six (6) construction progress photographs shall be provided with each HUD Representative's Trip Report, HUD-95379.

5.2.3.14 Trip Reports shall be sent via e-mail, or via link to a shared web page, as directed by the G'IR/GTM so as to be received by the GTR within seven business days.)

5.2.3.15 For the purpose of completing the blocks at the top of the HUD-95379, "Schedule Progress" shall be according to the approved HUD-5372, Construction Progress Schedule, and shall be measured from the date of Initial Endorsement/Closing and expressed as a percentage as reflected on the builder's progress schedule. Actual Progress shall be calculated based upon actual construction completed by all trades working on the project and expressed in terms of percent complete. If an extension to the completion date is granted through a change order, the Contractor shall request another HUD 5372 showing the new adjusted construction schedule, and the Contractor shall adjust the "Schedule Progress" block at the top of the HUD-95379 to reflect the new percentage based on the new approved HUD-5372.

5.2.3.16 The Contractor shall:

5.2.3.16.1 Evaluate and report on the builder's organization, operations and supervision.

5.2.3.16.2 Evaluate and report on the supervisory architect's administration of the construction contract and services per paragraph 3-11 of Handbook 4460.1 REV-2 and paragraph 13.5 of the MAP Guide. As a minimum, each HUD Representative's Trip Report shall address the supervisory architect's last visit to the project site, frequency of architect's inspections, adequacy of site log, key activities being performed, and whether the service is considered acceptable or unacceptable.

5.2.3.16.3 Report on special circumstances, the start date of initial and permanent construction (if applicable), occupancy, delays, disputes, proposed or pending changes, etc. Specifically identify and report serious construction problems that may lead to default. For serious construction problems that might lead to a default of the construction contract, said problems must be discussed telephonically with the GTM immediately following their discovery and specifically identified on the HUD-95379. These special circumstances/problems to be reported typically include:

Work stoppage.

Builder abandons job.

A change in the builder, owner, or architect during construction.

Construction defects untreated for 30 days.

Builder cannot or shall not correct any construction defect or latent defect. Use of questionable methods of construction or materials.

Extended periods of bad weather, strikes, etc.

Controlling jurisdiction issues a stop work order.

Slow start or progress of off-site work that would impair project occupancy.

Other conditions of such nature or magnitude as to potentially cause a default, and warranting attention by HUD personnel.

Noncompliance with the construction contract documents (plans and specifications) observed by the Contractor and/or the supervisory architect, including any work proceeding on pending changes awaiting HUD approval.

Dollar amounts requested by the builder and recommended by the architect for payment, based on the work-in place, construction contract and the cost breakdown. Report and list dollar amounts modified on HUD-92448.

Labor problems, equal employment opportunity problems, or other labor related complaints either observed or reported.

The percentage of actual and scheduled project completion and the percentage of completion of each additive change order. Note the dollar value of change orders approved to date and list any pending change orders and their dollar value

Compliance with each off-site work contract, if applicable, and the completed percentage of each. Report slow start or progress of off-site work that may delay occupancy.

Serious construction problems in accordance with Handbook 4460.1 REV-2, paragraph 3-14.A and the MAP Guide, paragraph 12.3.E.

**5.2.3.16.4** Listed below are six (6) critical new construction inspection phases.

To the extent practicable and consistent with the inspection schedule agreed upon between the Contractor and GTR/GTM, the contract inspector shall coordinate inspections at the initial occurrence of these critical inspection phases of each new construction project they inspect. If proper coordination and cooperation with the builder and their production schedule is in place, these should occur during the monthly inspection. If this is not practical, or timing of such phases does not permit, then these inspections shall be accomplished as additional inspections during the month these critical phases occur, but only after obtaining authorization from the GTM (with approved funding) to perform the additional inspections in the month that they occur. A table shall be maintained in each Trip Report through Final Inspection that lists the six critical phases and the date the inspection for each phase was completed. In addition, when one of the following inspections is accomplished, the term "Critical Phase Inspection" shall be noted under item #3, Special Circumstances, of the HUD-95379. Additionally, the inspector shall provide comments on the HUD-95379 at item #3 concerning the condition of construction and conformance with approved contract documents related to the critical phase being inspected, including all items for that phase listed below and any other observations relevant to the critical phase(s) being reported. The inspector shall also comment on the Architect's observations and/or oversight of each phase. There may be instances where a multiple of Critical Phase Inspections could occur during the same inspection, such as; pre-sheetrock, firewalls, and roofing all performed on the same date.

- Building Pad Complete, Ready for Formwork.
- Formwork/Pre-Concrete Slab Pour (inspect immediately prior to concrete placement). Including, but not limited to: Formwork, Reinforcement or Post Tension Cables, Under Slab Utilities, Grade Beams, and Moisture Barrier.
- Pre-Sheetrock and Insulation (inspect all immediately prior to cover up). Including, but not limited to: Framing, Mechanical Rough-in, Electrical Rough-in, Plumbing Rough-in and Roof Decking.
- Fire Walls and Shear Walls (in seismic zones)
- Roofing. Including, but not limited to: Covering, Flashing, and Penetrations.
- Formwork/Pre-Pour of Concrete Site Paving and Curbs. Including, but not limited to: Formwork, Reinforcement, and Compliance with UFAS, as applicable.

5.2.3.17 The Contractor shall perform the HUD final completion inspection upon final completion of the work, as defined under the definitions portion of this contract, in accordance with instructions in Handbook 4460.1 REV-2 paragraphs 3-16.A. and B, and Handbook 4435.01 REV-1, paragraph 1-11, and the MAP Guide, paragraph 12.6.B. The inspection(s), which are scheduled to release dwelling units to the owner and for which permission to occupy will be granted, should correspond to the monthly inspection(s), which are routinely scheduled. The permission to occupy form(s) for all the dwelling units in a project (see also Sec. 5.4.7 below) shall be permitted prior to, or simultaneous with, granting final completion (100%).

5.2.3.18 The HUD final completion inspection trip report shall include the following statement: "Date of Final Completion per Contract is 00/00/0000 ", "Construction acceptably completed," or "Construction acceptably completed subject to withholding disbursement or escrow of funds for completion of the listed items of delayed completion." List any items of delayed completion and their estimated cost and recommended time for completing the work. Multiply the estimated cost of such items by 150% and identify this amount as the amount to be held in escrow until the items are completed.

5.2.3.19 The HUD final completion inspection trip report shall include the following statement: "Utility services (list services including electricity, gas, water, sanitary sewer, storm sewer, telephone, and cable TV, as applicable) are complete, connected, and operable." Where connection is precluded by incomplete off-site work, add to the statement, "Connection for (list) is awaiting installation of off-site lines."

5.2.3.20 The HUD final completion inspection trip report shall include the following statement: "Safe and adequate ingress and egress have been installed to the site and all units and facilities." Where ingress or egress is precluded in part, add to the statement "except as follows: (list)."

5.2.3.21 The Contractor shall request that the Architect identify energy saving features included in the project. State whether or not the project is Energy Star compliant, or what, if any Energy Star appliances were installed in the project. Identify other forms of energy conservation or green building technology included in the project.

5.2.3.22 The Contractor shall complete and date the final HUD-95379 on the day of inspection.

5.2.3.23 The Contractor shall observe the accessibility of the work, for compliance with UFAS, FHAG, etc., at final completion of the work.

5.2.3.24 At the final inspection, the Contractor shall collect and attach the following documents to the HUD-95379 when requested by the GTM:

- (a) "HUD As-Built Set" (Set No. 3) of the Plans and Specifications, reviewed by the Architect and forwarded to the GTM for review and forwarded to the project Owner (transmittal only).
- (b) Owner's O & M Manuals, reviewed by Architect and forwarded to project Owner/Sponsor (transmittal only);
- (c) Final "As-Built Survey" and "Surveyor's Report";
- (d) All Change Orders submitted and approved by HUD;
- (e) Final 100% Construction Draw/Requisition submitted to HUD with AIA G703 formatted breakdown as back-up; and,
- (f) HUD Permission(s) to Occupy executed and submitted to HUD, with associated Certificates of Occupancy, and AIA G704;
- (g) HUD 95379 — 100% Final Completion Trip Report (by HUD Inspector). List of Items of Delayed Completion if appropriate. Color photos, labeled, 6 minimum by HUD Inspector;
- (h) Architects Field Reports — last to 100%;
- (i) Last Requests for Advance of Escrowed Funds — Form HUD 92464 for review and approval of completed change order or offsite work.

5.2.3.25 The Contractor shall provide the following statement and signature block for the HUD official's signature at the end of the HUD 100% Final Completion inspection trip report (name and title to be provided by the GTM):

"In accordance with MAP Guide Chapter 12.6, Section A, 3, and/or Handbook 4460.1, Section 3-16, item 3a, this 100% Final Construction Completion Trip Report is provided for your review and signature.

Signature

Date

(Name and Title)

5.2.3.26 The Contractor shall inform the builder and owner/sponsor that cost certification requirements are defined in HUD Handbook 4470.2 *Cost Certification Guide for Mortgagees and Contractors of HUD-Insured and Section 202/811 Multifamily Projects*. The Contractor shall inform the builder to coordinate the completion of a final survey per construction contract requirements, prior to HUD final closing/final endorsement. (See construction contract and Handbook 4460.1 REV-2, paragraph 3-8 and the MAP Guide, paragraph 12.13.

5.2.3.27 The Contractor shall verify that the supervisory architect has established warranty dates for all project/site improvements and specified 9-month and 12-month warranty inspections. The Contractor shall report the warranty dates on final HUD-95379.



**5.2.3.28** The Contractor shall obtain and submit with the final trip report copies of transmittals of all Contract Close-Out items (record documents, operating and maintenance manuals, consumer information on conversion of adaptable to accessible units per UFAS 4.34.4, keys, spare parts, excess materials, etc.) required by the contract documents to be provided by the Builder to the Owner. Including a transmittal of the attendance record of the Owner's Instructions on equipment and systems as specified and what specific items were covered.

## **5.3 TASK 2: SECTION 223(f) INSPECTIONS**

**5.3.1 Required Inspections:** Only when directed by the GTR/GTM, the Contractor shall perform inspections of projects funded or endorsed under 223(f) of the National Housing Act. It is anticipated that projects insured under Section 223(f) with Level 1 Alterations (as defined in the attached Exhibit A) will not require inspections. Those projects with Level 2 Alterations may require inspections based upon the type and complexity of improvements, as may be determined by the GTR/GTM. Those projects with Level 3 Alterations will require inspections at repair completion stages of 35%, 65% and 100%. Inspections may be attended by the owner, the architect, builder, consultants, and any other necessary parties. The inspection showing that all repairs covered by the repair escrow are completed shall be considered the final inspection.

**5.3.2 HUD 223(f) Preconstruction Conference Call:** The Contractor shall conduct the HUD 223(f) Preconstruction Conference Call. The Contractor shall schedule this call with the Lender, Owner, Property Manager and HUD staff. The agenda for the Preconstruction Conference Call is to review the contact sheet, required repairs (scope and costs), schedule of work, relocation plan and schedule if applicable, HUD inspections, escrow releases, changes to the work and repair period deadline. The Contractor will record these discussions on the HUD trip report HUD-95379 and highlight any outstanding or unresolved issues.

### **5.3.3 Reserved**

### **5.3.4 Reserved**

**5.3.5 Inspections:** The Contractor shall monitor and report the completion of repairs and compliance with commitment/endorsement/closing document conditions, approve the release of a repair escrow, report any conditions that contribute to mortgage risk, and monitor the builder's performance. The Contractor shall perform an inspection to confirm that critical repairs have been completed prior to loan closing, if requested by the GTM.

The Contractor shall fill out a HUD-95379 for each inspection. The Contractor shall complete the form and provide the following:

**5.3.5.1** A complete list of repairs, identifying those complete and those incomplete.

**5.3.5.2** A copy of the HUD-92464 Advance of Escrow Funds, signed by the HUD Inspector in the signature block at the bottom of page 2 of the form (who signs after the Mortgagor/Borrower signs).

**5.3.5.3** Non-compliance with provisions of the commitment or endorsement; e.g., PCNA, specifications, drawings, and other documents listed in subparagraph 5.2.4 above.

**5.3.5.4** Adverse conditions such as slow work completion, destruction of work, new regulatory requirements, and disputes.

**5.3.5.5** Availability of use of facilities listed on the schedule of delayed or interrupted occupancy. Identify by dwelling unit (room number for care facilities) or other comprehensive description.

**5.3.5.6** Local government authorizations, such as permissions to occupy and use permits.

5.3.5.7 Critical repairs shall be completed and reported before endorsement as described in the MAP Guide HUD Handbook 4460.1, Rev. 2, subparagraph 5-6(D)(3) and HUD Handbook 4435.01, Rev. 1, subparagraph 3-2.

5.3.5.8 Incomplete Repairs - Provide a detailed list of any repair items remaining incomplete by the set deadline, the recommended escrow amount, and the recommended completion date. The date for completion of items of delayed completion shall not be later than 12 months after endorsement.

**5.3.5.9** Guarantee Inspections — No longer required as part of this PWS.

**5.3.5.10** Detailed narrative of observations, not addressed above, made during the inspection.

**5.3.6** Partial release of escrow shall be made for completion of repairs after endorsement, they shall be based on the HUD provided and approved List of Repairs and Related Costs, prior to release of escrow funds.

**5.3.7** The Contractor shall submit the final HUD Representative's Trip Report upon final completion of the work. The final report shall include the following:

**5.3.7.1** The contractor shall report all work acceptably completed in accordance with provisions of the commitment/endorsement and approved changes;

**5.3.7.2** The contractor shall report off-site work completed or the municipality has given written assurance of completion;

**5.3.7.3** The contractor shall report all utilities connected;

**5.3.7.4** The contractor shall report permanent facilities for ingress and egress provided; and Applicable local government inspections, approvals, and other related documents have been submitted.

#### **5.4 TASK 3: CONSTRUCTION ADMINISTRATION TASKS**

**5.4.1 Architect's Services:** The contractor shall monitor Supervisory Architect's Services. The Contractor

shall advise the supervisory architect on HUD requirements, monitor the performance against provisions of the Owner-Architect Agreement (AIA Document B108), and report on the performance in accordance with Handbook 4460.1 REV-2, paragraphs 3-4.K and the MAP Guide, paragraph 12.5. The Contractor shall report inadequate performance of the Architect on the HUD-95379. Architect's adequacy and duties are defined in Handbook 4460.1 REV-2, Chapter 3. The Contractor shall attach copies of the supervisory architect's field reports (AIA-G711 or other format) and Architect's Supplemental Instructions (ASI) to the HUD-95379 submitted to the GTM. If field reports are not attached to a Trip Report, the Contractor must explain why they are not. The Contractor shall also include comments concerning the frequency of site visits made by the supervisory architect and the date of their last visit to the job site, adequacy of the log, and on-going architectural activities.

**5.4.2 Pay Draw Requests:** The contractor shall sign and date Inspector's Certificate on HUD-92448 — Contractor's Requisition — Project Mortgages. The Contractor shall indicate agreement or disagreement with the reasonableness of the amount requested by the builder and recommended by the supervisory architect. The Contractor shall compare the HUD-92448 and supporting documents (such as the AIA G703 form) with the HUD-2328, Schedule of Values, and the observed acceptably completed work and stored on-site materials. The Contractor shall ensure that the builder has supported any payment request for on-site stored materials and the request conforms to Handbook 4460.1 REV-2, paragraphs 3-7 and 3-8, and Handbook 4435.01 REV-1 and the MAP Guide. The Contractor shall ensure that the builder has supported any payment request for off-site stored

materials and the request conforms to Handbook 4435.01 REV-1, paragraph 1-6. The Contractor shall:

**5.4.2.1** Modify the requisition in accordance with instructions in Handbook 4460.1, REV-2, paragraph 3-6 and the MAP Guide, Appendix 13B. Report any modifications to the requisition on the HUD-95379.

**5.4.2.2** Complete and sign the Inspector's Certification on the HUD-92448 after all others have signed.

**5.4.2.3** Return the HUD-92448 signed original and signed copies to the owner's representative at the job-site upon completion of the monthly requisition meeting, and deliver a signed copy to the GTM within seven (7) business days of signing (for information purposes only).

**5.4.3 Change Orders:** The Contractor shall refer all proposed change orders (HUD-92437) to the GTM for HUD processing. The Contractor shall ensure that proposed change orders are signed by all parties and have appropriate backup documentation attached (builder's cost breakdown and architect's justification letter, with all change items defined as necessities, betterments, equivalents or time extensions). The Contractor shall ensure that time extension change order(s) have no other items on the change order form, are recorded in calendar days and include bond surety consent. The Contractor shall attach informational copies of proposed Change Orders to the HUD-95379 submitted to the GTM within seven (7) business days of the inspection with all appropriate backup documentation attached. The Contractor shall report determinations and description of proposed changes on the HUD-95379 and maintain a running summary of all approved and all proposed change orders, their purpose, and status in a table on subsequent HUD Representative's Trip Reports HUD-95379.

**NOTE:** Changes to off-site work (defined as improvements to the property immediately adjacent to the that which is secured by the insured loan and integral to the completion of the project; e.g. utilities, paving/access roads etcetc.) must be requested on an AIA change order form format sent via email or other acceptable format along with a letter of justification, clear scope of work, and labor and material cost breakdown .

The HUD-92437 is not to be used to document off-site change orders; however off-site changes shall be documented and processed the same as on-site changes.

**5.4.4 Architect's Supplemental Instructions:** The Contractor shall monitor the Architect's use of Architect's Supplemental Instructions (ASI), AIA-G710, for compliance with Handbook 4460.1 REV-2, paragraph 3-13 and, if applicable, the MAP Guide, paragraph 12.4.D and provide copies of any ASIs to the GTM within seven (7) business days of receipt. The Contractor shall report the architect's improper use of AIA-G710 on the HUD-95379. The Contractor shall ensure that no cost or time-related minor changes are reported via an AIA-G710. The Contractor shall maintain a running summary of all ASI' s in a table on the HUD-95379.

**5.4.5. Request for Approval of Advance of Escrow Funds:** The Contractor shall sign and date the HUD-92464, Request for Approval of Advance of Escrow Funds. The HUD-92464 is submitted to HUD by the bank to request release of escrow funds. The Contractor shall provide a HUD-92464 that has been signed by all required parties and has the builders' invoice attached. The Contractor shall send an informational copy to the GTM and within seven (7) business days of Contractor signing the HUD-92464. The Contractor shall return all signed originals of the HUD-92464 to the owner's representative for further handling. The Contractor shall inform all parties that the project mortgagor/sponsor (owner) or mortgage company is responsible for submitting the official (original) escrow release to HUD with the builders' invoice attached.

**5.4.6 HUD-11 Employee Wage Interviews.** The Contractor shall conduct employee wage interviews with a representative sample of construction personnel in various trades who are on-site during each of the

monthly site/project visits. This requirement only applies to projects where Davis-Bacon wage rates have been established. The Contractor shall interview up to ten percent (10%) of the workers in all trades

over the course of the project construction. If the Contractor is unable to conduct the interviews, the Contractor shall record the reason on the HUD-95379 why the interviews could not be performed. If employees refuse to be interviewed the Contractor shall discuss the requirement for interviews with the Builder's superintendent and explain on the HUD-95379 that such discussion occurred. The Contractor

shall record the wage interviews on the Record of Employee interviews (HUD-11). The HUD-11 is available in both English and Spanish. Refer to HUD Handbook 4460.1 REV-2 (Paragraph 3-4.K.6), MAP Guide (paragraph 12.3.D.111) and HUD Handbook 1344.1 (Section 1, Paragraph 3-2). The Contractor shall deliver the HUD-11s to the GTM together with the HUD-95379 that covers the visit.

**5.4.7 Permission to Occupy:** Once the Contractor has determined final completion of the work, the Contractor will, upon direction of the GTR/GTM inspect the completed dwelling units and sign and date the inspector's portion of the Permission to Occupy Project Mortgages (after the owner, builder, and architect have signed and dated) per HUD Handbook 4460.1 REV-2, paragraph 3-15, and Handbook 4435.01 REV-1, paragraph 1-11, the MAP Guide (paragraphs 13.6.A & 13.14). In the event that scheduling does not permit the Contractor to inspect the completed units on a timely basis, then the GTR/GTM may authorize the Architect to issue a phased PTO on condition that the Contractor will inspect the completed units at the next regularly scheduled site visit. The Contractor shall forward copy(s) of the signed Permission to Occupy form(s) to the Owner for approval by Lender and HUD, with an additional copy to the GTM for acceptance and further processing within seven (7) business days of signing. The Contractor shall ensure that copies of the local authorities' certificate(s) of occupancy or temporary certificate(s) of occupancy and the owner's proof of property insurance are attached to each copy. Starting with the first signed PTO(if the occupancy is phased due to multiple buildings), the Contractor shall include in paragraph 3 of the HUD-95379 a table that lists Certificate of Occupancy/Permission to Occupy status including: trip report number when signed, date signed, Certificate of Occupancy received, building number, number of units and comments.

For early or phased occupancy of units, the Contractor shall submit a copy of the signed HUD-92485, Permission to Occupy Project Mortgages, along with the Temporary Certificates of Occupancy or Certificates of Occupancy from the local building authority, and the owner's proof of property insurance to the GTM within seven (7) business days of inspection.

**5.4.8 Construction Record.** The Contractor shall maintain a file of project documents from project assignment through final completion of construction, incorporating appropriate documents as listed in Handbook 4460.1 REV-(Paragraph 3-4.L) and the MAP Guide (paragraph 13.3.D.12). All required documents, with the exception of As-Built Drawings, shall be electronically scanned and saved using an unalterable electronic means, such as a pdf file that is easily downloadable into existing HUD software. File names for all scanned and saved contract deliverables files shall utilize a HUD standardized file naming protocol to be provided at the post-award conference. The Contractor shall deliver the construction record electronically to the GTM within seven (7) business days of the completion of construction.

**5.4.8.1 Transition-Out:** The Contractor shall submit the construction record, described in the paragraph above, to HUD for all projects in an active status at the time of the expiration of this contract and all option periods, or if a specific project must be stopped prior to the final warranty inspection. The construction record provided in these situations will be the complete file of project documents from assignment through the last inspection actually performed by the contractor. The contractor shall submit to HUD the construction record electronically to the GTM within seven (7) business days of the date of the last inspection performed.

## **5.5 TASK 4: GUARANTEE/WARRANTY INSPECTIONS**

The GTM may require the contractor to perform 9-month or 12-month warranty inspections if the GTM determines there is a reasonable basis to conduct 9 or 12 month warranty inspections.



## C-6 DELIVERABLES AND MILESTONES.

The Contractor shall complete all work, deliver all deliverables and adhere to all milestones as specified herein. Any papers, recommendations, etc. that the Contractor submits are drafts, not final copies. The Government reserves the right to make changes to delivery dates.

**6.1. Quality Control Plan.** The Contractor's QCP shall be delivered with the Contractor's proposal. Three copies of a comprehensive written QCP shall be submitted to the GTR and within 5 business days when changes are made thereafter. After acceptance of the QCP the Contractor shall receive the Contracting Officer's acceptance in writing of any proposed change to its quality control system.

## 6.2 Deliverables

Deliverable & Task No.	Frequency	# of Copies	Medium/Format	Submit To	Due Date
Transition In Plan and PWS paragraph 1.7	One time as updated	1	One (1) hard copy and one (1) soft copy via email	CO	With the contractor's proposal
Transition-Out Plan PWS paragraph 1.7	One time and as	1	One (1) hard copy and one (1) soft copy via email		120 days after contract award
HUD-95379-ORF HUD Representative's Trip Report PWS Section 5	Once per inspection	1	One method of hard copy, fax, email, or shared internet link.	GTM	Within 7 business days of inspection
HUD 92448 PWS paragraph 5.4.2	Once per inspection	1	One (1) hard copy and one (1) soft copy via email	GTM	Within seven (7) business days of signing
HUD — 92464 Request for Approval of Advance of Escrow Funds	Once per inspection	1	One (1) hard copy and one (1) soft copy via email	GTM	Within 7 business days of Contractor signing
Construction Record PWS paragraph 5.4.8	One time	1	Unalterable electronic means (for example pdf) on CD-R	GTM	within seven (7) business days of the date of the 12-month or last approved

**6.23 Acceptance Criteria.** All deliverables shall be submitted in a draft format agreed upon by the Contractor and the Government. Acceptance of all deliverables shall be made by the GTM signing the HUD-95379 HUD Representative's Trip Report.